

Rent! The final economic frontier.

by Fred E. Foldvary, Senior Editor

The key to a lasting peace between the Jewish Israelis and the Arab Palestinians is the payment of rent for land. Palestinians and Israelis fight and kill for land, yet paying rent for land remains an unknown concept. This illustrates the importance of understanding basic economics.

Everybody knows that rent exists, yet it does not dawn on the peace seekers that the solution to the land problem is turning the conflict over land into a market in land, where those who want land pay for it as rent.

Israeli troops and tanks have now withdrawn from northern Gaza. Hamas, Islamic Jihad, and the Al-Aqsa Martyrs Brigade have declared a cease fire with conditions. They want the government of Israel to stop its targeted killing of terrorist leaders.

One problem is that minor militant groups, such as the Popular Front for the Liberation of Palestine, have refused to join the cease fire. Also, individual Palestinians opposed to the truce could on their own kill some Israelis. We cannot expect the killing to stop entirely. There are Palestinians opposed to a state on the West Bank and Gaza; they insist on an Arab and Islamic state over all the British-mandate territory, with all Jews killed or expelled. For them, it's all or nothing.= They will continue the killing in order to break the truce.

Israel must not react to the continuing killing by acting by itself to hunt and kill the murderers. They should give the Palestinian authority under its new leadership a chance to work with the Israelis to provide security. If Israel reacts by killing Palestinians, they would be letting the extremist Palestinians set the agenda.

Israelis and Palestinians should create a new alliance: those who seek peace versus those on both sides that wish to continue the conflict. It should no longer be Palestinians versus Israelis, but peace seekers versus war mongers.

But it is not enough to cry Peace! Peace! Besides the immediate steps of releasing prisoners, easing the traffic chokes, and removing troops from Palestinian areas, Israel must confront the long term issue of the settlements in the West Bank and Gaza. With this cease fire, Israel can now act without being seen to be giving in to terror.

First, Israel should withdraw the Israelis who have settled in Gaza. It would be a much welcomed gesture by Arabs, Israel would save the cost of defending these settlements, and there is little religious significance about the Gaza for Jews.

Second, Israel must confront the land conflict in Judea and Samaria, the West Bank of the Jordan River. It is called a "Bank," so the settlers who have been deposited there should pay interest. Israel never annexed Judea and Samaria. This is an implicit recognition that the Palestinian Arabs have rights to that land. Most of the world recognizes the West Bank as properly belonging to the Palestinian Arabs. Yet many Jews consider the land theirs because

it was theirs historically and because God designated that land for the Israelites. Some Christians also think so. To abandon that land would be to act against the supreme Lord of the Land.

It is such a dilemma. But economics has an answer. Israel can formally recognize Judea and Samaria as territory of a Palestinian State. The international boundary would be the pre-1967 boundary, with minor adjustments. But since Israelis are living there, were now born there, and consider it their home and their religious duty to stay, Israelis could remain as residents, so long as they paid rent for the land to the Palestinian State.

The rent would increase over time up to the market rate for renting the land. The all-or-nothing crowd would not be pleased, but Palestinians would gain more from this than from kicking out the Jews. The Palestinians would obtain badly needed funds from the rent. With peace, the road blocks would be removed, and there would be huge mutual gains from trade between the Israeli residents and the Arabs. The residents would be offered Palestinian citizenship, so they would be dual citizens of Israel and Palestine if they wished. Palestinians should not object to Jews living in Palestine, since there are also Muslim and Christian Arabs living in Israel. The Israeli settlements would be opened to Arab residents, so eventually the Jews in Judea and Samaria would be foreign residents just like foreigners live in many places all over the world.

Rent is the key to peace. Paying rent would acknowledge the Palestinian claim to the land, without giving up the attachment Jews have to their ancient homeland. Jews have lived in Judea under foreign rule for centuries, under Persians, Greeks, Romans, Arabs, the British, and Turks. If Jews were willing to settle in Palestine under Turkish rule, why not also under Palestinian?

Rent is what has been missing from the peace talks. It takes a geoist and Georgist to fully understand the implications of rent. This can now be the geoist gift to the world. Geoists can give the world the key to peace. We need to send this message to the peace seekers of the Middle East: Israelis pay rent! Palestinians get rent!

We need big signs in peace marches that show a key and underneath, say "rent!" We need to keep shouting "rent" until people finally get it. Send a letter to all your local newspapers with the simple and short message: "The key to peace in the Middle East is for Israelis to pay rent to the Palestinians for land in the West Bank." A thousand letters like this would wake people up. Editors like such short letters, so do it today. Give the world the key to peace!

<http://www.progress.org/2003/fold307.htm>